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EXCOM 004-83  
28 January 1983

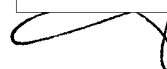
MEMORANDUM FOR: Executive Committee Members  
FROM: Deputy Director of Central Intelligence  
SUBJECT: SIS Pay  
REFERENCE: Minutes of 20 January 1983 Executive Committee  
Meeting: SIS Pay Options

After hearing your views on the SIS pay scale and reviewing the options presented, I believe we should approach both OMB and Congress on this issue. I have accordingly asked [redacted] and Jim Glerum to explain to OMB and Congress the inequities we perceive in our current SIS system and ask for their support for a solution like that suggested by the DDS&T (attached).

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[redacted]

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 John N. McMahon

Attachment:  
DDS&T SIS Pay Recommendation

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DDS&T SIS PAY RECOMMENDATION**Problem:**

- o Solve pay comparability resulting from differences in conversion policy (SIS vs SES) of GS-16, 17 with rest of government.
- o Solve problem of pay disparity for high step GS-15 vis-a-vis SIS 1-4
- o Solve present and long-term pay disparity problems.
- o Develop solution that follows Executive and Congressional policies.
- o Develop solution which can be implemented immediately.

**Recommendation:**

PAY SCALE		A	B	C
SIS-6	\$67,200			
SIS-5	\$65,500			
SIS-4	\$63,800			
SIS-3	\$61,515	\$63,800		
SIS-2	\$59,230	\$61,515	\$63,800	
SIS-1	\$56,945	\$59,230	\$61,515	\$63,800

**Pros:**

- o Contains essential elements of equitable compensation system.
  - Classification of work.
  - Tenure.
  - Performance.
- o Uses only OPM/Congressionally approved pay rates.
- o Conforms to Civil Service Service Reform Act which allows one pay adjustment in 12-month period.
- o Yearly pay adjustment to Rates A, B, or C based on performance certification of appropriate senior official.
- o Corrects present and anticipated future pay problems.
- o Brings Agency in line on pay with OPM/DOD actions.
- o Maintains Agency hierarchical grade structure and promotion policies.
- o Permits manning of joint Agency, NSA, DOD or State positions at appropriate grade levels with ability to revert if necessary, without affecting pay.
- o Can be implemented immediately.
- o Promotions of GS-15 & SIS personnel would be to next higher SIS rank and rate. (Current SIS would convert to above scale based on GS grade/salary had SIS system not been initiated.)
- o Conforms to previous supergrade pay relationship.

**Cons:**

- o Different than rest of government.
- o Agency supergrades graded lower than government counterparts.

EXCOM 003-83  
27 January 1983

MEMORANDUM FOR: Executive Committee Members

FROM:

[redacted]  
Executive Assistant to the DDCI

SUBJECT: Minutes of 20 January 1983 Executive Committee  
Meeting: SIS Pay Options

1. The Executive Committee met on 20 January 1983 to consider SIS pay options developed by the Office of Personnel. [redacted] (ExDir) chaired the session; participants included Messrs. Fitzwater (DDA); Gates (DDI); Hineman (DDS&T); George (Acting DDO); Taylor (IG); Childs (Comptroller); and Glerum (D/OP). [redacted]

2. Mr. Glerum explained that his office developed optional SIS pay proposals in response to employee concerns regarding the equity of the current SIS pay scale in the wake of the lifting of the Federal pay cap in December 1982. Two major concerns exist: Senior GS-15s can make more than SIS-1s, 2s, and a few 3s; and some people who elected to join the SIS could, because of the lifting of the pay cap, be making more money if they had retained the General Schedule (GS) pay scale. In addition, as originally designed, the SIS system was to present the opportunity for bonuses to 50 percent of its members, but Congress subsequently reduced that to 20 percent. Mr. Glerum noted that people in high steps of various grade levels have always made more money than people in the lower steps of the next highest grade. Because the pay cap for the GS schedule is lower than the new SIS cap, time could eventually solve this problem. If, as expected, a Federal pay freeze were imposed this year, however, it would take longer to solve. Mr. Glerum suggested those employees who seem the most concerned are those in the lower SIS levels who expect to be retiring in the near term and would have received higher retirement pay if they had remained at the GS-15 level. All of the above is aggravated by the disparity between the percentage of our SIS employees at levels 3 and 4 -- 34 percent -- and the percentage of the rest of the Government's SES employees at those levels -- 67 percent. [redacted]

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3. Mr. Glerum said that the SIS pay options developed by his office were a representative sample of the possible variations. No option exists that will satisfy everyone. Any increase in SIS pay would obviously have an impact on Agency resources. He observed that it seemed wrong in principle to straddle the GS and SIS systems, keeping the best features of each. He recommended Option D, retaining the recently approved SIS pay structure and policies. [ ] then requested members' views. [ ]

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4. Mr. Gates noted that perceived inequities would exist in any pay system the Agency adopted. He advocated that no one being promoted to SIS should lose money, and the current pay retention policy ensured that. He feared that if the Agency tinkered with its current SIS pay structure, it could create as many problems as it solved. The pay compression problem, for example, would resurface sooner, given the unlikelihood of another lifting of the pay cap any time soon. He therefore recommended no change in the current structure while insuring that no one lost money if promoted. [ ]

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5. Mr. Fitzwater offered another alternative SIS pay scale (see Tab A). He emphasized the strong feelings among affected employees that the Agency was not doing all it could for its people. He noted that two-thirds of the rest of Government SES personnel were at the SES 3 and 4 level, while the majority of the Agency's SIS members were 1s and 2s. He recommended his option as a way to retain a hierarchy within the SIS while providing SIS 1s and 2s opportunities for pay increases. In response to questions, he affirmed that he favored retaining SIS bonuses. Messrs. Glerum and Hineman reiterated the point that Congress reduced the percentage of SISers who could receive bonuses from 50 to 20 percent. Mr. Gates noted that he did not feel strongly about any option as long as the one chosen was reasonable. He did strongly favor retaining bonuses, however, which he believed were a valuable managerial tool. [ ]

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6. Mr. Hineman advocated revising the pay structure because of the inequities cited. He noted that the disparities between our practices and the rest of the Government's were a particular problem for his Directorate because he had people working side-by-side with NSA employees in the Special Collection Service. He also presented an alternative option (see Tab B), which would maintain a hierarchy, provide opportunities for reasonable pay increases for lower level SISers, and provide reasonable raises for GS-15s promoted into SIS. He echoed Mr. Fitzwater's sentiments regarding the high level of employee concern on this issue. Mr. George concurred that some change should be made and favored something along the lines of Option B (separate Agency SIS pay scale). [ ]

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7. Mr. Glerum noted several other possibilities, including eliminating SIS-1s and promoting GS-15s directly to SIS-2s. Mr. Hineman thought the resulting pay hike would be too large. Mr. Childs said that he was sympathetic to the problem but ambivalent regarding a solution. He advocated doing the best possible for employees but cautioned against ignoring the political realities involved in trying to effect any change. Mr. Taylor advised against doing anything that would require seeking a Congressional approval. He thought the whole pay structure could profit from an overhaul, but that would take some time. Meanwhile, he suggested not tampering with the system except to resolve the problem of SIS-3s and 2s who were being paid less than some GS-15s. [REDACTED]

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8. [REDACTED] (OGC) explained his understanding of how the rest of Government was handling its SES structure and said that any of the options for increasing lower level SIS pay would not be out of line with other Government practices. In response to Mr. Hineman's question, Mr. Taylor said that a one-time pay adjustment could solve the SIS-3 problem. Mr. Childs disagreed, suggesting that such a one-time solution could eventually create more problems. Mr. Glerum stated that if the Agency decided to create step increases for SIS-1s and 2s, they would be more justifiable if they were performance related rather than the traditional periodic step increases. Mr. Gates reiterated concerns about the political cost of adopting a change that would require Congressional notification. Mr. George contended that the Agency should feel obligated to at least try to attain salaries for its SIS employees on a par with those of the rest of Government. [REDACTED]

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9. [REDACTED] said that he was not convinced that it would be desirable to change the system. He noted his initial opposition to the SIS system because of its heavy emphasis on relying on money as a motivator. Now that the Agency has adopted it, however, he believed that we should honor the intent of the system, which was to award bonuses based solely on merit. He did not think this was that contentious an issue among employees and noted that GS-scale employees could not understand the concern. He preferred to approach the salary issue from the perspective of attaining equity for all employees. He noted that we had solved the overseas pay problem and perhaps the next concern should be the clericals. He also mentioned the possibility of reviving the Office of Personnel's pay study. He then noted the benefits of membership in the SIS, including potential bonuses, unlimited accrual of leave, and sabbaticals, and said that he could not understand why SIS pay had become such an emotional issue. He concluded that he would report the Committee's views to the DCI/DDCI and defer to them for a decision. [REDACTED]

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